

State Liquor Dispensary

Analyst: Freeman

Historical Summary

OPERATING BUDGET	FY 2004 Total App	FY 2004 Actual	FY 2005 Approp	FY 2006 Request	FY 2006 Gov Rec
BY FUND CATEGORY					
Dedicated	10,598,800	10,534,800	11,339,400	12,601,000	12,529,000
Percent Change:		(0.6%)	7.6%	11.1%	10.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	6,983,400	6,878,700	7,611,000	8,550,200	8,519,200
Operating Expenditures	3,456,400	3,435,700	3,230,800	3,551,500	3,510,500
Capital Outlay	159,000	220,400	497,600	499,300	499,300
Total:	10,598,800	10,534,800	11,339,400	12,601,000	12,529,000
Full-Time Positions (FTP)	150.00	150.00	160.00	170.00	170.00

Division Description

The State Liquor Dispensary has the following general powers and duties:

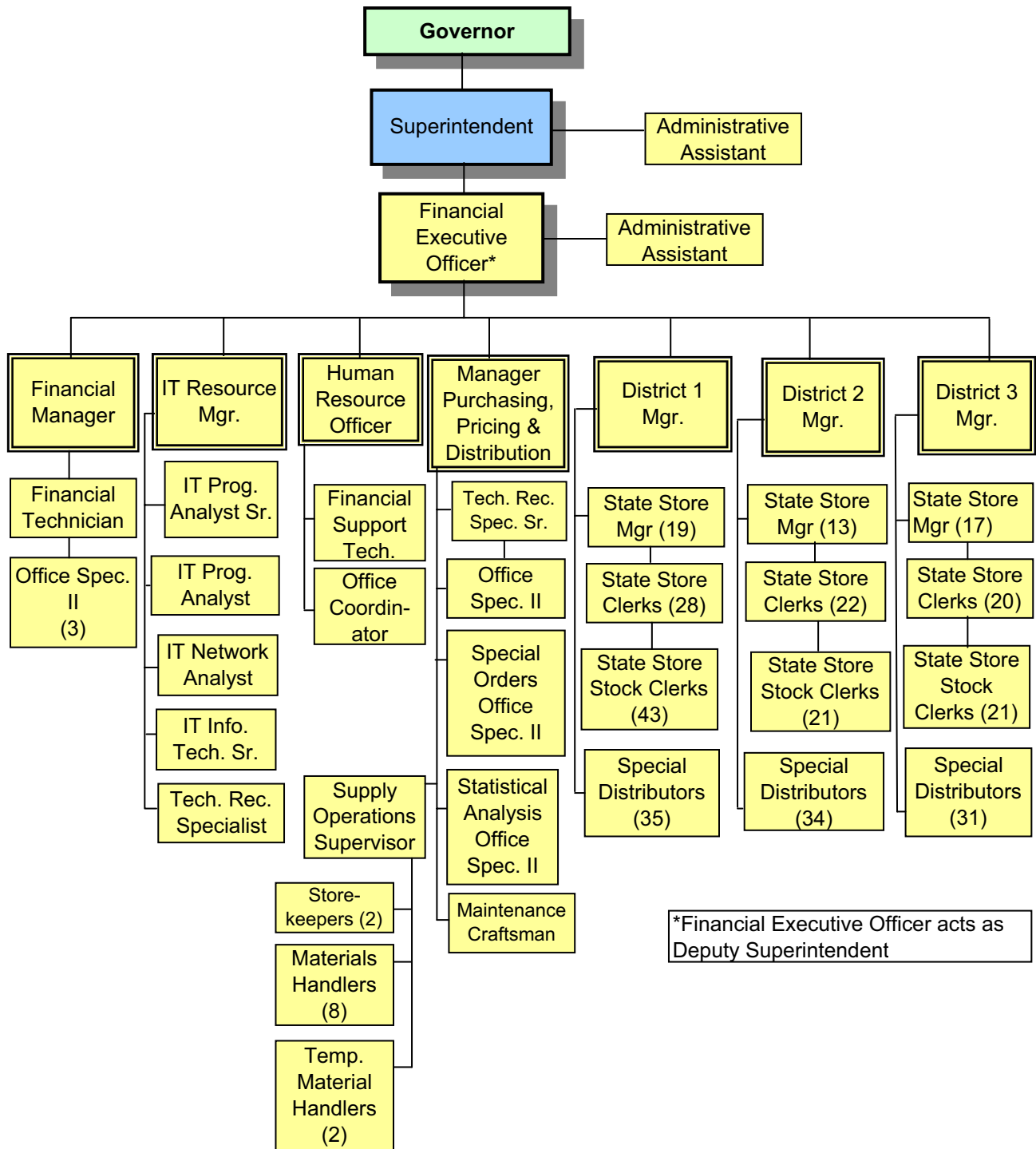
- (a) Regulation of Liquor Traffic: To permit, license, inspect, and regulate the manufacture, importation, transportation, storage, sale, and delivery of alcoholic liquor for purposes permitted by law.
- (b) Traffic in Liquor: To buy, import, transport, store, sell, and deliver alcoholic liquor.
- (c) Operation of Liquor Stores: To establish, maintain, and discontinue warehouses, state liquor stores and distribution stations.
- (d) Acquisition of Real Estate: To acquire, buy, and lease real estate, and to improve and equip the same for the conduct of its business.
- (e) Acquisition of Personal Property: To acquire, buy, and lease personal property necessary and convenient for the conduct of its business.
- (f) Making Reports: To report to the governor annually, and at such other times as he may require, concerning the condition, management, and financial transactions of the dispensary.

The Liquor Dispensary is charged with exercising its powers as to curtail the intemperate use of alcoholic beverages. It shall not attempt to stimulate the normal demands of temperate consumers of alcohol, irrespective of the effect on the revenue derived by the state from the resale of intoxicating liquor.

[Statutory Authority: Idaho Code §23-201 et seq.]

Liquor Dispensary Agency Profile

Analyst: Freeman



*Financial Executive Officer acts as Deputy Superintendent

Sources of Funds

Liquor Control (0418): Derived from the sale of alcoholic beverages, excise taxes, licenses, permits, fees, profits on sales, sales of equipment and supplies. In addition, all moneys from the purchase of properties, buildings, plants, apparatus, real estate, and securities, including any interest, are included in the Liquor Fund.

**FY 2005
Original
\$11,339,400**

Liquor Dispensary Agency Profile

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Profit Distribution

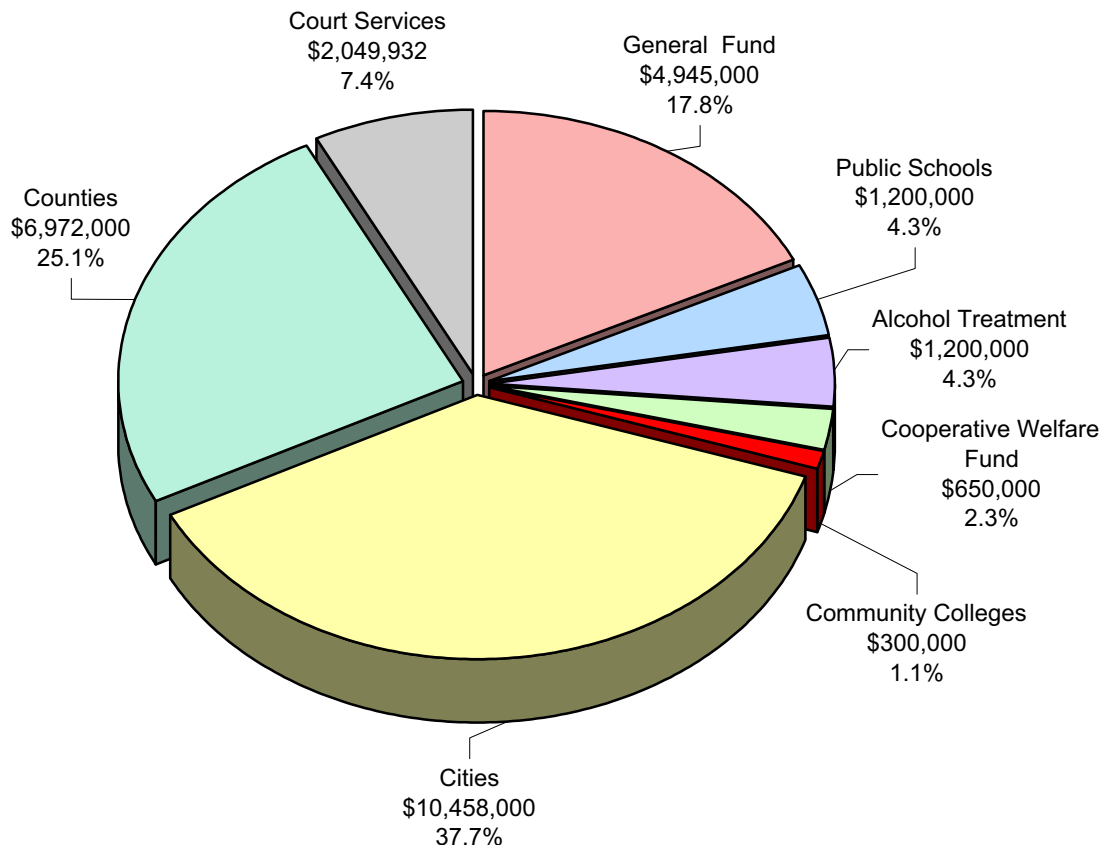
- FY 2004 Supreme Court appropriation (2003 Idaho Sess. Laws 334) appropriated \$440,000 from the Liquor Control fund for Drug Court/Family Court Services.
- Beginning in FY 2004, 2% surcharge on sales is transferred monthly to the Drug and Family Court Services fund.

- Annual fixed distributions totaling \$8,295,000 to General Fund, Public Schools, Alcoholism Treatment Fund, Cooperative Welfare Fund, and Community Colleges.

Remainder of profits distributed as follows:

- 40% to counties in proportion to sales in each county
- 60% to cities as follows:
 - > 90% to those incorporated cities with liquor stores in proportion to sales
 - > 10% to those incorporated cities without liquor stores in proportion to population

FY 2004 Profit Distribution Total = \$27,774,932 million



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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2005 Original Appropriation	160.00	0	11,339,400	160.00	0	11,339,400
HB 805 One-time 1% Salary Increase	0.00	0	58,100	0.00	0	58,100
Governor's Rescission	0.00	0	0	0.00	0	(32,700)
FY 2005 Total Appropriation	160.00	0	11,397,500	160.00	0	11,364,800
Removal of One-Time Expenditures	0.00	0	(555,700)	0.00	0	(550,400)
Base Adjustments	0.00	0	0	0.00	0	27,400
FY 2006 Base	160.00	0	10,841,800	160.00	0	10,841,800
Benefit Costs	0.00	0	137,000	0.00	0	106,000
Inflationary Adjustments	0.00	0	41,000	0.00	0	0
Replacement Items	0.00	0	406,300	0.00	0	406,300
Nonstandard Adjustments	0.00	0	92,800	0.00	0	92,800
Change in Employee Compensation	0.00	0	64,000	0.00	0	64,000
27th Payroll	0.00	0	252,800	0.00	0	252,800
FY 2006 Program Maintenance	160.00	0	11,835,700	160.00	0	11,763,700
1. Sunday Liquor Sales	6.00	0	381,100	6.00	0	381,100
2. New Liquor Stores	4.00	0	384,200	4.00	0	384,200
FY 2006 Total	170.00	0	12,601,000	170.00	0	12,529,000
Change from Original Appropriation	10.00	0	1,261,600	10.00	0	1,189,600
% Change from Original Appropriation			11.1%			10.5%

State Liquor Dispensary

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2005 Original Appropriation	160.00	0	11,339,400	0	11,339,400
HB 805 One-time 1% Salary Increase					
Agency Request	0.00	0	58,100	0	58,100
Governor's Recommendation	0.00	0	58,100	0	58,100
Governor's Rescission					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends removal of funds not needed to implement HB 805. In addition, the Governor recommends removal of risk management funding in excess of needs calculated by the Department of Administration.</i>					
Governor's Recommendation	0.00	0	(32,700)	0	(32,700)
FY 2005 Total Appropriation					
Agency Request	160.00	0	11,397,500	0	11,397,500
Governor's Recommendation	160.00	0	11,364,800	0	11,364,800
Removal of One-Time Expenditures					
Reflects removal of funding for one-time salary increase and replacement capital outlay.					
Agency Request	0.00	0	(555,700)	0	(555,700)
Governor's Recommendation	0.00	0	(550,400)	0	(550,400)
Base Adjustments					
Agency Request	0.00	0	0	0	0
<i>Restore risk management rescission to the base.</i>					
Governor's Recommendation	0.00	0	27,400	0	27,400
FY 2006 Base					
Agency Request	160.00	0	10,841,800	0	10,841,800
Governor's Recommendation	160.00	0	10,841,800	0	10,841,800
Benefit Costs					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 9.7% or \$632 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees. Other benefit changes include a reduction in unemployment insurance rates, a reduction in Division of Human Resources rates for classified employees, and an increase in workers compensation rates.					
Agency Request	0.00	0	137,000	0	137,000
<i>The Governor does not recommend increases related to changes in the Public Employee Retirement System.</i>					
Governor's Recommendation	0.00	0	106,000	0	106,000
Inflationary Adjustments					
Includes a general inflationary increase of 1.3% in operating expenditures.					
Agency Request	0.00	0	41,000	0	41,000
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
One sport utility vehicle (\$30,000), 1 store relocation (\$45,000), remodel 17 stores (\$198,000), replace shelves & counters in 13 stores (\$66,500), 10 store receipt printers (\$3,800), and 1 computer network backup (\$63,000).					
Agency Request	0.00	0	406,300	0	406,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>406,300</i>	<i>0</i>	<i>406,300</i>
Nonstandard Adjustments					
The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services. Also included are changes in property and casualty insurance premiums by the Department of Administration and \$77,000 in contractual rent increases included in the 52 state liquor store leases.					
Agency Request	0.00	0	92,800	0	92,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>92,800</i>	<i>0</i>	<i>92,800</i>
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	0	64,000	0	64,000
<i>The Governor recommends a compensation increase of 1% to be distributed based on merit. No adjustment to the pay line is recommended.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>64,000</i>	<i>0</i>	<i>64,000</i>
27th Payroll					
Reflects the cost of one additional payroll in fiscal year 2006. This happens every eleven or twelve years because there are 364 days in 26 payperiods but a year has 365.242 days.					
Agency Request	0.00	0	252,800	0	252,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>252,800</i>	<i>0</i>	<i>252,800</i>
FY 2006 Program Maintenance					
Agency Request	160.00	0	11,835,700	0	11,835,700
<i>Governor's Recommendation</i>	<i>160.00</i>	<i>0</i>	<i>11,763,700</i>	<i>0</i>	<i>11,763,700</i>
1. Sunday Liquor Sales					
In 2004, the Legislature authorized local county option approval of Sunday liquor sales. This enhancement would provide the personnel (6 FTPs) and funding (\$381,100) necessary to operate 12 of its 52 stores on Sundays in counties which have authorized the sale of liquor on Sundays.					
Agency Request	6.00	0	381,100	0	381,100
<i>Governor's Recommendation</i>	<i>6.00</i>	<i>0</i>	<i>381,100</i>	<i>0</i>	<i>381,100</i>
2. New Liquor Stores					
This enhancement would provide 4 FTPs and \$384,200, and authorize opening two new liquor stores in Boise and Pocatello.					
Agency Request	4.00	0	384,200	0	384,200
<i>Governor's Recommendation</i>	<i>4.00</i>	<i>0</i>	<i>384,200</i>	<i>0</i>	<i>384,200</i>
FY 2006 Total					
Agency Request	170.00	0	12,601,000	0	12,601,000
<i>Governor's Recommendation</i>	<i>170.00</i>	<i>0</i>	<i>12,529,000</i>	<i>0</i>	<i>12,529,000</i>

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	10.00	0	1,261,600	0	1,261,600
% Change from Original App	6.3%		11.1%		11.1%
<i>Governor's Recommendation</i>					
Change from Original App	10.00	0	1,189,600	0	1,189,600
% Change from Original App	6.3%		10.5%		10.5%